



GRADUATE STUDENTS' UNION

UNIVERSITY OF TORONTO
LOCAL 19, CANADIAN FEDERATION OF STUDENTS

Post-Secondary Education Review Secretariat
2 Bloor Street West
Suite 700
Toronto ON
M4W 3R1

November 14th, 2004.

Dear Honourable Bob Rae and Panel Members,

The Graduate Students' Union (GSU) at the University of Toronto (UofT) recognizes the importance of post-secondary education (PSE) as an essential stepping-stone to a fulfilling future, and therefore welcomes the Rae review of PSE commissioned by the government of Ontario.

It is fundamental to understand the broader impact of an educated population. Educated individuals enrich the society-at-large and, thus, PSE is not an individual investment. It is critical, then, that PSE be framed as a public good that allows individuals to re-invest in their communities.

Tuition fee levels must be regulated. Despite the rhetoric espoused by some, tuition fees must remain in the jurisdiction of the provincial government. Deregulation has resulted in a wider gap between individuals from low-income and high-income backgrounds. Currently, governing boards do not have a majority of members who are elected; and so do not necessarily make decisions that are reflective of the public will.

We hope the panel seizes the upcoming report as an opportunity to discuss the real issue – the issue of debt – and recommend debt reduction and elimination programmes. Proposals such as the Income Contingency Repayment Loan Plan (ICLRPs), the Registered Education Savings Plan (RESPs) and tax credits are inappropriate and we hope they will not be recommended in your final report.

Finally, the GSU has long-called for restoration and increased government funding. We make this point again in our submission to the panel. Although reducing tuition fees were not presented in the discussion paper, we feel that to properly address access, fully-funded tuition fee reductions should be a focal point.

Indeed, PSE is at a cross-road, and as the Honourable Bob Rae stated “education is the bedrock of modern society”. As such, the GSU submits the following response to the Discussion paper, with an added section on International students, with the desire to end the erosion of quality and access to our universities; and to stop the derailment of our education system.

We thank the members of the panel and look forward to the final report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Arij Al Chawaf', with a long horizontal stroke extending to the left.

Arij Al Chawaf
Vice-President External
On behalf of the Graduate Students' Union
University of Toronto



**UNIVERSITY OF TORONTO GRADUATE STUDENTS' UNION
SUBMISSION**

TO

**THE HONOURABLE BOB RAE
AND
THE RAE REVIEW COMMISSION**

ON

POST-SECONDARY EDUCATION

Qs: How can we increase participation and success in higher education?

Tuition Fees

It is reported that 70% of jobs created between 2002 and 2007 will require some level of post-secondary education¹. Furthermore, Statistics Canada² reports that education and household income are linked to poor health and are therefore indicators of the quality of life later on. True access to post-secondary education (PSE) demands that several barriers be broken. The most prominent barrier to PSE is financial.

Increased tuition and deregulation has resulted in a decline in participation rates from lower income students³. It is also alarming that the average student debt tripled in the 1990s⁴ at a time when tuition fees tripled⁵. Students from lower income backgrounds are deterred from continuing with graduate studies by the excessive debts that they incurred at the undergraduate level. While debt aversion has not been studied in Canada, its effects on British students is well detailed in a major report by Universities UK.⁶ Undergraduate debt could be barring qualified students from following their graduate studies' aspirations. Hence, the increased tuition fees at the undergraduate levels, and the resulting high debt that students carry, are important issues to graduate students at the University of Toronto (UofT).

If we are to be sincere in our efforts to make PSE accessible, tuition fees must be reduced, fully regulated and funded by both the federal and provincial governments. Doing so accomplishes a more equitable system for those groups underrepresented in PSE. Regulated tuition assists students to successfully complete their PSE by providing stability through fully anticipated tuition fees throughout the student's education.

Guaranteed Funding at the UofT

The UofT provides funding for the first five years of a doctoral program (which may include a year at the master's level in some departments). The funding formula includes all sources available for the student from the university: research assistantship, teaching assistantship, supervisory stipend, internal awards and external sources such as governmental scholarships (NSERC, SHHRC, OGS). An immediate concern regarding NSERC, SHHRC and OGS is that these awards are taxable. Furthermore, government funding is disproportionate in that only 30% of federal government research funding goes to SHHRC despite that the majority of students in graduate studies are in Social Humanity related research fields.

Although guaranteed funding is welcomed by students, it should be noted that 80% of graduate degrees awarded in 2002/2003 by the UofT were at the master's level. The majority of master's students are not included in the funding packages provided by the university. These students rely on loans/student debt and work outside of the UofT to subsidize deregulated tuition fees.

The length of the funding period is also worrisome for students. Funding is usually shorter than the length of time needed to complete the requirements for graduation especially for master's student. Since the average time to complete a masters and doctoral degree is 26 and 62 months respectively⁷, how then can the university and the province ensure that those in their second year of a masters and their fifth year of a PhD (not usually funded) do not drop out before completion for financial reasons? We propose the model of post residency fees described below.

¹ Human Resources Development Canada: "Job Futures: World of Work", Canada's Innovation Strategy, 2002 pp 9

² Statistics Canada: "Regional socio-economic context and health", 2002

³ CAUT, *University and College Affordability: How and why have fees increased?*, 2001

⁴ CAUT, *Access Denied: the affordability of post-secondary education in Canada 1857- 2002*, 2002

⁵ Statistics Canada, "University Tuition Fees", 2004

⁶ Universities UK, media release, "Fear of debt deterring would-be students, University UK survey reveals", 6 Dec. 2002.

⁷ Statistics Canada, *Class of 2000: How are they faring two years later?*, 2004.

Post-Residency Fees

Post-residency fees is a structure that allows students who have completed their coursework to pay reduced fees when they are in the independent research and thesis writing stages of their degree. Currently, this fee structure is absent from most universities in Ontario but it is offered at many universities in Canada. Students at that stage use less university resources but contribute significantly through labour and research to the university's core functions. The benefits to this structure are a reduced need for students to seek outside employment, and shorter time-to-completion rates. There will also be decreased attrition since financial difficulties are cited as the primary reason for withdrawal before completion and for delayed graduation.⁸ Quality of research will also increase, as students will not rush to complete their requirements to avoid paying for a new term.

Increase in cost of 5-year PhD at the University of Toronto

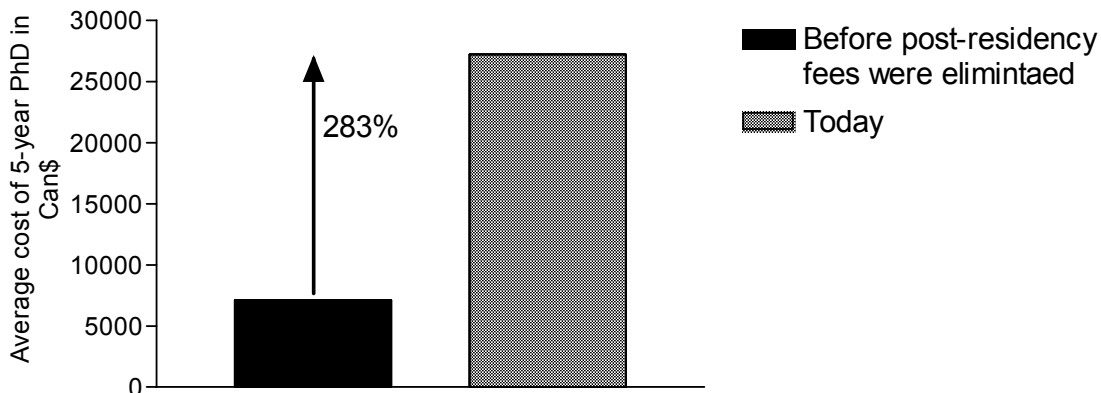


Figure 1: Change in average cost of a doctoral degree at the UofT with the removal of post-residency fee structures

Recommendations:

- **Regulate tuition fee levels for graduate programs including undergraduate programs and professional programs.**
- **Reduce tuition fees with funding from governments.**
- **Eliminate the practice of using tuition fee increases to fund students' financial assistance.**
- **Institute needs-based grants.**
- **Restore part-time eligibility for the Ontario Student Loan Program (OSAP).**
- **Legislate post-residency fees in Ontario Universities as a way to increase financial accessibility.**

Qs: How can we improve the quality of higher education?

Although an appropriate measure of quality for PSE is hard to define, several parameters are currently used. Student to faculty ratios, student's time to completion, publications from the research community are all indicators which universities use to compare their performance. As the University of Toronto continues to top the Maclean's rankings for Medical Doctoral institutions, there remains some major issues to deal with. There are many qualified graduate students who are unable to undertake their studies because of the shortage of faculty. Currently, the student to faculty ratio is at 28 for the University of Toronto.

⁸ Canadian Association for Graduate Studies: *The completion of Graduate Studies in Canadian Universities: Report and recommendations*, 2003.

Quality has suffered when governments have cut funding to PSE. Contrary to false claims that assert regulated tuition hurt quality, there is no research that proves this. In fact, what has been proven is that declining quality is a symptom of chronic government funding. While many new buildings are constructed, deferred maintenance at some University of Toronto buildings has meant safety, access and health have been compromised. Examples such as the asbestos growth in the Medical Sciences building require appropriate funds to enable maintenance work to continue.

In order for the University of Toronto graduate programs to operate, public funding to research programs must continue. Humanities programs do not have access to industry funding and therefore rely more heavily than the Sciences on public funding. Students from basic science programs also face challenges as their research does not fall under the applied research and commercialization agenda recently being adopted by the university and the provincial government.

Recommendations:

- ***Increasing provincial funding to at least the national average will help decrease the student faculty ratio to a more appropriate level of 18:1.***
- ***Legislating a guaranteed minimum portion of provincial public funding for higher education that properly accounts for anticipated enrolment increases and inflationary adjustments for colleges and universities will also increase quality at our universities.***
- ***To ensure that basic research continues to flourish at the University of Toronto, corporate and industry donations must not dictate research programs and should not replace public funding.***

Qs: How do we pay for higher education to ensure opportunity and excellence?

Tuition Fees as a funding mechanism

Ontario Universities receive the lowest amount of public spending per full-time student in all of Canada. This has resulted in average Ontario tuition fees at the graduate level to be the highest in the country. Although university administrators argue that deregulation of fees will allow them to set appropriate fees to cover the shortfalls from operating grants, there is enough evidence to suggest that doing so will only decrease governmental contributions and will soon result in inaccessible, overpriced system of higher education. In every jurisdiction where tuition fees were introduced or increased, government funding fell by a comparable proportion⁹ ¹⁰. In fact, examining the composition of the University of Toronto's Revenues, we find that while tuition fees increased by approximately 17% to become 35% of the university revenue, base-operating grants from the government decreased by approximately 32% between 1992-93 and 2002-2003 (see figure 2). Allowing governing council to set tuition fees will likely result in their increase with subsequent decreases in operating grants, further increasing the reliance of universities on tuition fees.

Another problem of tuition fees as a funding mechanism is the issue of student debt as discussed next.

⁹ Globe and Mail: "BC's Tuition Pain", Editorial, Feb 9, 2004.

¹⁰ EducationGuardian.co.uk, "Tuition fees 'not benefiting' universities", January 29, 2002.

Inverse relation between student fees and base operating grants

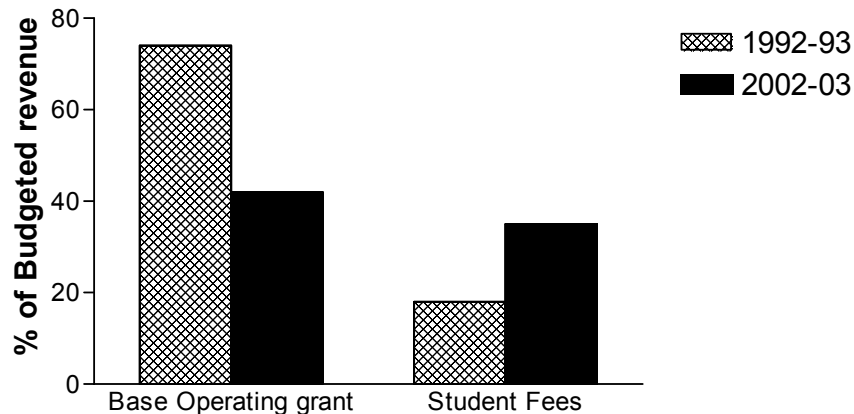


Figure 2: Government operating grants and student fees as a percentage of UofT budgeted revenue in the years 1992-93 and 2002-2003.

Loans and student debt

Currently, students with unmet financial needs after financial aid can apply for government loans. Statistics Canada reports the average student debt with a bachelors degree is \$19 500, with a quarter of graduates expressing difficulty in repayment. One third of those with loans had a high debt of over \$25 000¹¹. The University of Toronto reports that 60% of those graduating from first entry programs in 2003 were debt free. However, this only takes into account governmental loans and only covers students from undergraduate degrees. Statistics Canada reports that master's and doctoral students do graduate with a higher proportion of debt incurred from private sources such as banks and credit lines, as they already exhaust the maximum lifetime governmental loan limits¹². The GSU has also found that 40% of the respondents to our survey had loans from *both* government and private lenders.

The reasoning that high tuition fees will ensure that students from high-income backgrounds are paying the appropriate fees ignores the fact that the majority (80%) of students enrolled in PSE are from income backgrounds between \$30 000 and \$79 000. Students from the middle range will suffer the most as they would not qualify for bursaries but still pay the high fees imposed on them as a way of ensuring access. In addition, introducing high fees as a funding mechanism ignores the fact that students will avoid accumulating debt and so will not enrol in programs with high tuition fees. The following looks at different funding options both present and proposed.

Equity Through the Tax system

Students and their families already pay into PSE through the tax system. The tax system is the most equitable way of paying for PSE. The current tax system, therefore, needs to be reformed into that of a progressive tax system where those who earn more pay more (and those who earn less pay less).

RESPs

The federal government has admitted that programs requiring 'savings', such as the Registered Education Saving Plan (RESP) has not helped low-income families. It would be difficult to find genuine surprise in reaction to the reality that those who have less are not able to save more. Again, as with regressive policies

¹¹ Statistics Canada: *Class of 2000: Profile of Post-Secondary graduates and student debt*, 2004.

¹² Mary K Allen, Statistics Canada, *Graduate Student loans and debt: A statistical overview*, Presentation to the Canadian Association of Graduate Studies Meeting, 2004.

and political will that deregulate tuition fees, RESPs do not advance accessible education. It benefits, or does not harm, those who already have the ability to pay for PSE.

ICLRPs

In sharp contrast to the assertion that Income Contingency Loan Repayment Plans (ICLRP) provide a simple deferring of tuition fee payment to a system based on ability to pay brings us right back to the main point – ability to pay. Those who were not able to pay in the first place now face a punitive system where, if income levels are low or modest, pay more due to accrued interest and longer repayment times. This is another proposal that benefits those who have the ability to pay (no or lower loan amounts borrowed) or will have the ability to pay (high-income, less interest, shorter repayment times). ICLRPs are not a meaningful or progressive system although it is continually disguised as such. Instead of debt management measures, there need to be programs that reduce and eliminate debt.

Recommendations:

- ***End reliance on tuition fee increases to make up for government under-funding.***
- ***Reform the current tax system to a progressive system of taxation.***
- ***Eliminate the need/practice of private fund-raising activities that place institutions in situations of competition with other PSE institutions.***
- ***End the Millennium Scholarship Foundation project and the federal RESPs.***

Qs: Do we have the right structures in place to know our system is achieving the results we want?

Currently, there is no national structure in place that outlines funding or provincial objectives. Students have long advocated for a national education act, such as the one that governs HealthCare.

Since the majority of members who sit on governing boards are appointed – not elected, there is no mechanism for accountability and a skewed notion of who they are accountable to. There should be an elected provincial body overseeing PSE institutions and regulating their practices.

In the province of Ontario, publicly funded universities are not subject to the Freedom of Information Act. This is obviously inappropriate, as universities are immune to systems of accountability and transparency. The province of Ontario must also ensure that donations to the university and their contractual context are also covered by this act so that no conflict of interest can arise from donations which go against the university's mandate as a publicly funded institution.

Unlike student unions in other provinces, such as BC, student unions in Ontario have no legislation protecting them or their ability to speak and act on behalf of their constituents. Student unions operate from a precarious position given that, at times, the relationship between an administration and students' union may be adversarial.

Recommendations:

- ***Include universities under the Freedom of Information Act.***
- ***Governing boards be comprised of a majority of members who are elected.***
- ***Address the need of instituting a province-wide body whose members (students, staff, faculty, and administrators) are elected by their organizations.***
- ***Enshrine through legislation the right for students to organize.***

International Students

We feel that the issue of international students is one of extreme importance to graduate studies at the University of Toronto, being a world-class university which aims to attract the highest calibre of professors and students nationally and internationally. It was only in the late 1970s that differential fees for international students were introduced. The provincial government of Ontario does not provide any funding to universities for graduate international students, however others, such as the governments of Quebec and British Columbia, do.

There are over 1200 international graduate students at the University of Toronto. These students pay differentially higher tuition fees which are sometimes twice the fees for domestic students. Although some international students receive guaranteed funding packages that are at par with domestic students, departments do not always compensate international students with greater funding packages to cover the higher tuition fees. International students are restricted from applying to most scholarships and awards and are currently not allowed to work off-campus, thereby limiting their income severely to what some receive through the \$12 000 + tuition fees packages. Since very few scholarships are open to international Students, many of them feel disadvantaged and dismayed by not having equal opportunities on Canadian campuses. Scholarships indicate academic excellence and so the lack of scholarships reflects badly on their careers. They also would appreciate the opportunity to work off campus to subsidize their higher expenses.

The University of Toronto governing council passed an increase of 5% in tuition fees last year for all international students; a 20% increase is projected for next year. Higher tuition fees have already put PSE out of reach for international students from low and middle income backgrounds as well as those from developing countries. Continuing this pattern will mean that Canada will not remain competitive in attracting the top students as there are meagre number of scholarships available for poorer international students. Considering that the American Council of Graduate Schools is reporting a decrease of 28% in international student applications due to the environment post 9/11 and due to aggressive recruitment strategies in Australia, Asia and Western Europe¹³, Canada, and specifically Ontario, need to remain competitive by offering more incentives for students to undertake their graduate studies here. Ontario will need to compete with other provinces for those top international students as well. In University of Montreal for example, PhD students with good academic standing are exempted from differential fees, so are post year 4 international students, to encourage them to finish their theses on time.

As Canadians, we have the duty to help developing countries and do so every year through millions of dollars in cash transfers. An even better contribution to international development is providing the opportunity for international students from developing countries to complete their graduate training here in Canada so that they can return with their new skills and help develop their home countries. Many of our students feel that they will not be able to continue at the University of Toronto if fees continue to rise at the rate that they do currently.

Recommendation:

- ***As higher tuition fees undermine diversity and equity for international students from poorer backgrounds and discriminate against them for not having the means to afford higher fees, the government should provide funding to universities for international students.***
- ***International Students should be eligible for more scholarships and grants.***
- ***Furthermore, international students should be allowed to work off campus to compensate for the smaller funding resources usually available to domestic students.***

¹³ Council of Graduate Schools in the United States, Debra Stewart, “Recent Trends in International Applications and enrollment: U.S. Graduate Schools’ Response”, Presentation to the Canadian Association for Graduate Studies meeting, 2004.

